

# **Indiana Long Term Care Insurance Program**

## **Quarter 4-2005 Report**

October 1, 2005 through December 31, 2005



Completed on March 14, 2006

## **QUARTERLY SUMMARY REPORT – INDIANA**

	<b>QUARTER 4-2005</b>	<b>TO DATE</b>
<b>Policies Purchased:</b>	<b>895</b>	<b>37,259</b>
Policies Dropped (voluntarily & for unknown reasons*):	112	3,503
Policies Not Taken Up: (dropped within 30 day free look period)	42	2,212
<b>Total Policies In Force (active):</b>	<b>N/A</b>	<b>30,884</b>
Policyholders Who Received Service Payments:	<b>100</b>	<b>326</b>

*\* Does not include drops reported as deaths, rescissions or exhausted benefits.*

# INDIANA LONG TERM CARE INSURANCE PROGRAM

## Statistical Summary

**Period: October 1, 2005 – December 31, 2005**

Report Prepared 03-14-2006

The Indiana Long Term Care Insurance Program (ILTCIP) is an innovative public/private partnership between the Indiana Medicaid Program and private long term care insurance companies, designed to help Indiana residents finance their potential long term care without fear of impoverishment. The Program began operation on May 17, 1993, with state approval of the first eight participating insurers. Actual marketing of Indiana Partnership policies by these companies began later that summer.

This report presents information for the quarter ending December 31, 2005, in the form of quarterly-specific and cumulative statistics since the Program's inception.

Highlights from this quarter include the following:

- **Policies purchased during this quarter was 895!**
- **Cumulatively, 44,254 applications have been submitted with over 37,200 policies purchased!**
- **Comprehensive policies continue to be the primary type of policy being purchased.** For example, 96% of all policies purchased in Q4'05 were comprehensive while only 4% were for nursing home only. Cumulatively, the number of comprehensive policies purchased has increased from 86% of all sales (Q4'04) to 88% of all sales (Q4'05).

**86% of policies purchased during Q4'05 qualify for Total Asset Protection. Cumulatively, 77% of all policies purchased qualify for Total Asset Protection.**

- **94% of all policies purchased have been by first time purchasers.**
- **The average age of policy purchasers is 61.16. Age range of purchasers is 18 to 89.**
- **Cumulatively, 73% of all policyholders were age 65 or under at the time of purchase.**

**Indiana Long Term Care Insurance Program**  
**Fact Sheet For Quarter 4, 2005**

**PARTICIPATING COMPANIES:**

Bankers Life and Casualty – Individual: Tax Qualified	Metropolitan Life - Individual: Tax Qualified
CNA–Group: Tax Qualified	Monumental Life – Individual: Tax Qualified
CUNA Mutual Life – Tax Qualified	Mutual of Omaha – Individual: Tax Qualified
GE Capital Assurance – Individual: Tax Qualified	Penn Treaty Network America - Individual
John Hancock – Individual: Tax Qualified	State Farm – Individual: Tax Qualified
Life Investors – Individual: Tax Qualified	United Teacher Associates – Group: Tax Qualified
MedAmerica – Individual & Group: Tax Qualified	

Eight companies provided data during Quarter 4, 2005.

**CONSUMER CALLS MADE TO SHIP (Senior Health Insurance Information Program) ABOUT ILTCIP AND LTC INSURANCE:**

- Q4'05 = 198
- Cumulative = 30,837 (since 5/93)

**PRESENTATIONS MADE BY ILTCIP STAFF:**

**Quarter 4'05**

conducted = 4 (3 agent-sponsored)  
attendees = 154

**Cumulative (since 1997)**

conducted = 604 (417 agent sponsored)  
attendees = 17,895

**ILTCIP WEBSITE** (\* equals the number of times a page was opened within the Website)

- Q4'05 = 9,030\*
- Cumulative = 181,143 (Since 1-99)

**Indiana Long Term Care Insurance Program:  
Statistics for Quarter Ending December 31, 2005  
In Comparison To Cumulative Program Statistics**

	<b>Quarter ending 12-31-05</b>	<b>Cumulative as of 12-31-05</b>
<b>Total Policies Purchased</b>	895	37,259
<b>Total Policies Dropped *</b>	<u>194 (21.67%)</u> Died 39 (20.1%) Voluntarily 44 (22.7%) Unknown 68 (35.1%) Converted 0 (0%) Exhausted Benefits 1 (0.5%) Not Taken Up 42 (21.6%)	<u>6,375 (17.1%)</u> Died 567 (8.9%) Voluntarily 1,640 (25.7%) Unknown 1,863 (29.2%) Converted 74 (1.2%) Exhausted Benefits 17 (0.3%) Not Taken Up 2,212 (34.7%) Rescission 2 (0.0%)
<b>Policies Not Taken Up During 30 Day Free Look</b>		
<b>Policies in Force</b>	N/A	30,884

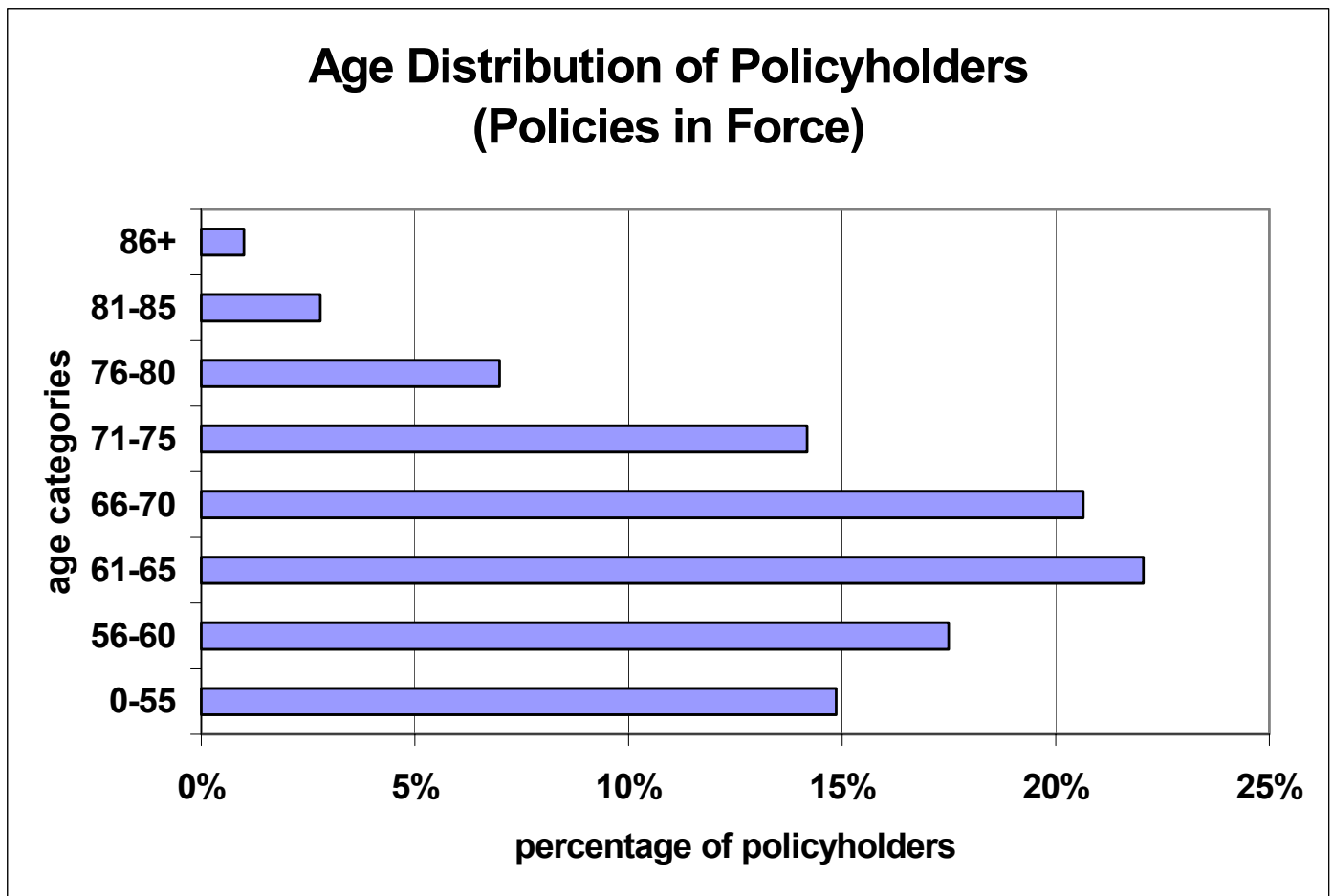
*\*Does not include exhausted or rescissions.*

**This information was based on quarterly and cumulative policies in force.**

<b>Nursing Home and Home Care Policies.</b>	856 (96.6%)	27,331 (88.5%)
<b>Nursing Home Only Policies</b>	39 (4.4%)	3,553 (11.5%)
<b>First Time Purchasers</b>	878 (98.1%)	29,170 (94.5%)
<b>Upgrades or Replacements</b>	17 (1.9%)	1,714 (5.5%)
<b>Individual</b>	546 (61%)	29,207 (94.6%)
<b>Group Certificates</b>	0 (0%)	304 (1%)
<b>Organization Sponsored</b>	349(39%)	1,373 (4.4%)
<b>Male</b>	401 (44.8%)	13,284 (43%)
<b>Female</b>	494 (55.2%)	17,600 (57.0%)
<b>Married</b>	697 (77.9%)	24,044 (77.9%)
<b>Not Married</b>	198 (22.1%)	6,469 (20.9%)
<b>Unknown</b>	0 (0.0%)	371 (1.2%)

### Age Distribution of Partnership Policyholders at Time of Purchase

	<u>Age Range</u>		<u>Average Age</u>
	<i>Low</i>	<i>High</i>	
Individual Policyholders	18	89	61.05
Group Certificateholders	23	73	49.07
Organization Sponsored	19	84	56.63
All Insureds	19	89	60.74



**Nursing Home Per Diem Amounts (Policies in Force):**

Average Amount:     \$124.20

Mode: \$120.00 (12.58% of all purchasers)

**Home Care Per Diem Amounts (Policies in Force):**

Average Amount:     \$113.72

Mode: \$120.00 (9.76% of all purchasers)

**Elimination Periods (Policies in Force):**

**Nursing Homes:**

0 days	1,871 (6.06%)
9 days	1 (<1%)
15 days	54 (0.17%)
20 days	905 (2.93%)
30 days	5,223 (16.91%)
45 days	482 (1.56%)
50 days	1,847 (5.98%)
60 days	1,300 (4.21%)
90 days	8,481 (27.46%)
100 days	10,230(33.12%)
120 days	2 (0.01%)
180 days	488 (1.58%)

**Home and Community Care:**

0 days	10,843 (39.60%)
10 days	3 (<1%)
14 days	239 (0.87%)
15 days	33 (0.12%)
20 days	705 (2.57%)
30 days	4,082 (14.91%)
45 days	477 (1.74%)
50 days	25 (0.09%)
60 days	888 (3.24%)
90 days	6,254 (22.84%)
100 days	3,385 (12.36%)
180 days	448 (1.64%)

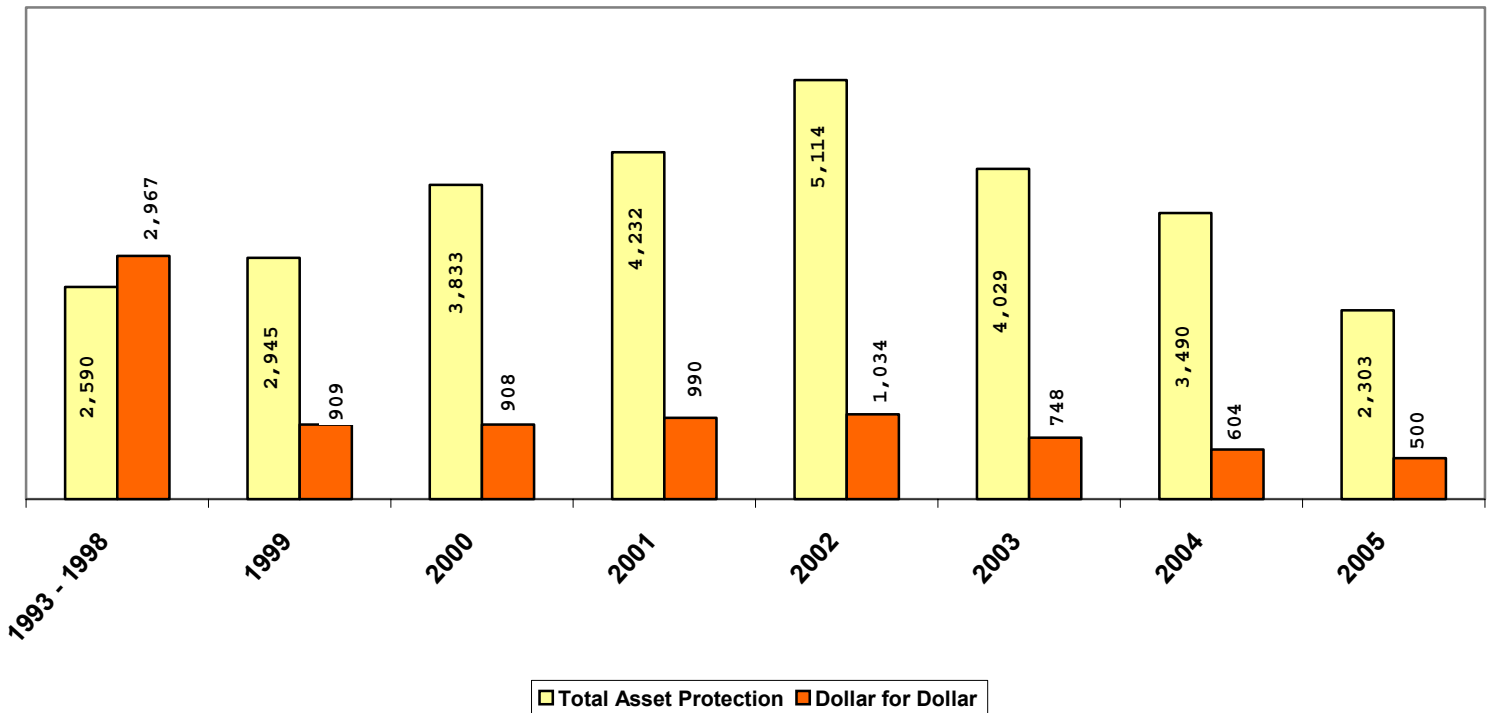
**Riders:**

Non-Forfeiture	<1%
Restoration of Benefits	1%
Spousal Benefit Enhancement	1%
Other Riders	2%

## Asset Protection Type at Initial Policy Purchase By Policy Effective Date

Quarter 4-2005	Cumulative at Time of Purchase
Policies Purchased by Quarter	895
Policies Purchased by Cumulative	37,259
Total Asset Protection by Quarter	768
Total Asset Protection by Cumulative	28,571
Dollar for Dollar by Quarter	127
Dollar for Dollar by Cumulative	8,660

### Asset Protection Type at Initial Purchase Cumulative by Calendar Year



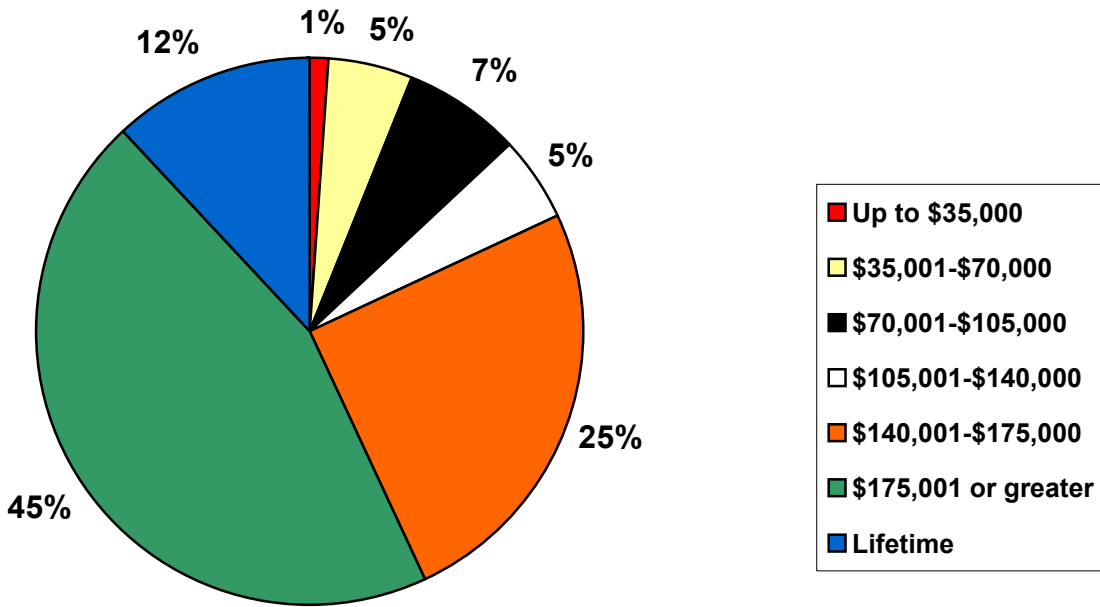
\*Total Asset Protection became available 3-12-98 & grand fathered in those policies with coverage at initial purchase equal to or greater than state-set-dollar amount for 1998.

### Maximum Policy Amount of Policies in Force:

**Range:** \$22,050 - \$6,504,300 (plus 3,625 lifetime policies)  
**Average amount:** \$181,597 (not including lifetime policies)

**Maximum Benefit Amounts Selected By All Purchasers (Policies in Force)**

Maximum Benefit Amount at Time of Purchase	All Purchasers
Up to \$35,000      Approx: (1 yr)	1%
\$35,001 - \$70,000      (2 yrs)	5%
\$70,001 - \$105,000      (3 yrs)	7%
\$105,001 - \$140,000      (4 yrs)	5%
\$140,001 - \$175,000      (5 yrs)	25%
\$175,001 or greater      (6 yrs +) (excluding lifetime)	45%
Lifetime Policies	12%



**Policyholders in Benefit  
Information as of December 31, 2005**

**Benefit Status**

Number of policyholders, to date, who have received benefit payments.	326
Number of policyholders in benefit as of Quarter 3, 2005.	100
Number of policyholders that received benefits and have died.	99

Asset protection earned by policyholders to date.	\$13,897,772.68
Asset protection earned to date that will not be accessed (policyholders who have died)	\$2,552,275.77

**Service Utilization**

<b>Type of Service*</b> (other than case management)	<b>% of Total Claimants by Type of Service **</b>
Nursing Home Care	71.61%
Home Health Aide – hourly care	6.94%
Home Health Aide – daily care	9.15%
Attendant Care	.63%
Other Institutional	0%
Hospital Bed Hold	12.93%
Assisted Living	16.72%
Adult Day Care	2.21%
Personal Care	7.26%
Alternate Level of Care	1.26%

\*These categories are not mutually exclusive, therefore, percents shown will not total 100.

\*\*This is the cumulative status of all claimants. The status and percent (%) will change as the claimant's status changes.

**AGGREGATE QUARTER CLAIMANT PROFILE**  
**As of December 31, 2005**

Gender	Female	68%
	Male	32%
Marital Status	Not Married	44%
	Married	56 %
	Unknown	1.0%
Average Age At The Time Of Policy Purchase		71.14
Average Age At The Time Of Claim		77.45
Age Range At Time Of Claim	Range =	44 – 95
	Mean =	77.45
	Median =	76
Policy Type Owned:	Nursing Home Only	31.5%
	Nursing Home & Home Care	68.5%

Average time elapsed between purchase date and claim date was 76.61 months (6.30 years)

**AGGREGATE CLAIMANT PROFILE**  
**As of December 31, 2005**

Gender	Female	65.3%
	Male	37.7%
Marital Status	Not Married	41.3%
	Married	53.1 %
	Unknown	5.2%
Average Age At The Time Of Policy Purchase		71.66
Average Age At The Time Of Claim		77.46
Age Range At Time Of Claim	Range =	44 – 96
	Mean =	77.46
	Median =	76
Policy Type Owned:	Nursing Home Only	31.8%
	Nursing Home & Home Care	68.2%

Average time elapsed between purchase date and claim date was 56.98months (4.75 years)